Registered number: 01200318

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)

COMPANY INFORMATION

Directors	Joanne Allen Zahra Bahrololoumi Laura Bailey Victor Chavez Tim Crofts Zoe Cunningham Jacqueline Davey Julian David Jacqueline de Rojas Sheila Flavell Christopher Francis Scot Gardner Sarbjit Gill Ashish Gupta Catherine Hackett Simon Hansford Anthony Harmer Russell Haworth Nicola Hodson Peter Holmes Aleyne Johnson Ian Jones Michael Keegan Anthony Miller Richard Petley Kulveer Ranger Neil Sawyer Mark Thompson Stephen Timms William Touche John Towers Gordon Wilson Wenbing Yao

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)

COMPANY INFORMATION

Registered number	01200318
Registered office	10 St Bride Street London EC4A 4AD
Independent auditor	BDO LLP 150 Aldersgate Street London EC1A 4AB
Solicitors	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)

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INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are pleased to present their strategic report for the year ended 31 December 2018.

Information technology telecommunications and electronics association trades under the name techUK. techUK represents the companies and technologies that are defining today the world that we will live in tomorrow. Used well, technology can help make the world a better place for everyone. We work to ensure that discussions are properly informed so that the right decisions can be made regarding the development and use of technology. techUK currently represents over 830 members.

techUK has a clear, simple mission;

- Make the UK good for tech; ensure that the UK is the best place in the world for tech companies (both domestic and foreign owned) to locate and grow.
- Make tech good for the UK; ensure that the full economic potential of tech is harnessed right across the economy
- Make tech good for people; ensure that tech is used to improve and enhance the quality of life of all consumers and citizens.

Business review

2018 was another highly successful year for techUK. We welcomed over 23,000 visitors to the techUK offices, with over 3,000 delegates at techUK headline events, issued 18 significant reports with over 900 opinion pieces and techUK owned news and views. We were referenced in over 1,700 media articles and over 230 national articles, while the techUK website received over 1 million hits. Representatives of techUK again held a large number of significant engagements with influential government and public sector stakeholders.

During 2018 we focused on five key Board priorities;

- Making Brexit a success for tech
- Driving productivity and economic growth
- Nurturing skills and jobs for the future
- Ensuring a safe and secure digital world
- Building the smarter state

techUK aims to run its affairs to generate a small surplus after taxation to enable continued investment in member services and to preserve the real value of reserves. In 2018 a decision was made to restructure the executive team, which will result in reduced costs in future periods. The restructuring resulted in one-off costs of £126,452. The overall deficit for the year was £89,635. The surplus for the year before taxation excluding these costs would have been £36,817.

Income increased by 5% compared to the prior year, driven primarily by a 4% increase in income from membership subscriptions and escrow services.

Overhead costs, excluding the one off costs associated with the restructuring, increased by 4%. The Board strictly monitors overhead costs for efficiency and cost-effectiveness.

techUK maintains a strong balance sheet and at the reporting date had net assets of £1.26 million including cash deposits of £3.04 million.

Principal risks and uncertainties

The principal risk facing the company is a reduction in membership income resulting in overall income insufficient to cover overheads in the long term. A reduction in membership income may result from a fall in member numbers due to companies moving abroad (a heightened risk at present due to the uncertainties caused by Brexit), a reduction in the perceived value of techUK membership or a general economic slowdown reducing the ability or willingness of members to continue with membership. The company tries to mitigate this risk by maintaining ongoing relationships with the major political parties to ensure techUK maintains its influence, continually looking to expand its policy and trade work and communication plans and by keeping under constant review its offerings to members in terms of training, events and programmes.

The company also faces the risk of loss of key staff members, reducing the ability of the company to achieve its aims and hence negatively impacting the value of the membership. The company tries to mitigate this risk by ensuring staff benefits are in line with the market, there is an annual programme of training courses based on identified training needs, encouraging internal movement into new roles by advertising all roles internally and line managers actively encouraging staff to consider internal moves rather than external ones, having an open and diverse culture where people can thrive in their chosen roles and ensuring our values are enshrined in everything we do.

Financial key performance indicators

The key financial performance indicators are turnover, growth in subscription, non-subscription as a percentage of turnover and the profit/loss for the year. The actual results are as follows:

	2018	2017
Turnover	5%	(1%)
Membership Income Growth	4%	5%
Result for the year after tax	(£89,635)	(£23,419)

Future prospects

techUK intends to build on the success in 2018 of its work in policy and markets to establish the same recognition for technology and innovation. As well as continuing with our strong UK programme, there will also be more focus on building a strong international programme focused on the USA, India, Japan and China.

Membership income is expected to increase in 2019 with new members joining and costs are expected to increase with additional staff joining the team throughout the year in order to fulfil our planned programmes. Overall, we expect to make a small surplus each year.

This report was approved by the board on 9 May 2019 and signed on its behalf.

Joanne Allen
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the group Strategic Report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £89,635 *(2017 - loss £23,419)*.

Directors

The directors who served during the year were:

Joanne Allen (appointed 8 November 2018)
Sarah Atkinson (resigned 31 December 2018)
Zahra Bahrololoumi
Laura Bailey (appointed 5 July 2018)
George Brasher (resigned 14 February 2018)
Victor Chavez
Tim Crofts
Zoe Cunningham
Jacqueline Davey (appointed 14 February 2019)
Julian David
Jacqueline de Rojas

Benedict Ely (resigned 13 February 2019)
Sheila Flavell
Christopher Francis
Scot Gardner
Sarbjit Gill (appointed 6 November 2018)
Ashish Gupta (appointed 5 July 2018)
Catherine Hackett (appointed 14 February 2019)
Simon Hansford (appointed 5 July 2018)
Anthony Harmer
Russell Haworth
Nicola Hodson
Peter Holmes
Aleyne Johnson
Ian Jones
Michael Keegan (resigned 13 September 2018 and reappointed 30 October 2018)
David Kynaston (resigned 5 July 2018)
Angus Langford (resigned 30 October 2018)
Andrew Lawson (appointed 5 July 2018 and resigned 1 March 2019)
Gang Luo (resigned 5 July 2018)
Anthony Miller
Richard Petley (appointed 14 February 2019)
Kulveer Ranger (appointed 5 July 2018)
David Pool (resigned 13 February 2019)
Neil Sawyer (appointed 5 July 2018)
Andrew Start (resigned 6 July 2018)
Mark Thompson
Stephen Timms
William Touche
John Towers (appointed 5 July 2018)
Tracy Westall (resigned 24 January 2018)
Gordon Wilson
Wenbing Yao (appointed on 5 July 2018)
Karen Young (resigned 29 August 2018)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

This report was approved by the board on 9 May 2019 and signed on its behalf

Joanne Allen
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

Opinion

We have audited the financial statements of Information Technology Telecommunications and Electronics Association (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity and the notes to the financial statements 1 to 25, including a summary of significant accounting policies, set out on pages 8 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group Strategic Report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Aimee Griffiths (Senior statutory auditor)
for and on behalf of
BDO LLP
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB
Date: 15 May 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	**6,528,500**	6,235,102
Administrative expenses		**(6,659,467)**	(6,265,312)
Operating loss	5	**(130,967)**	(30,210)
Interest receivable and similar income	9	**12,476**	747
Interest payable and similar charges	10	**(90)**	(229)
Loss before tax		**(118,581)**	(29,692)
Taxation	11	**28,946**	6,273
Loss for the financial year		**(89,635)**	(23,419)
Total comprehensive expense for the year		**(89,635)**	(23,419)

The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	13		**1,290,123**		1,450,430
Current assets					
Debtors	15	**855,282**		941,154	
Money market investment	18	-		2,000,000	
Cash and cash equivalents	16	**3,036,668**		883,296	
		3,891,950		3,824,450	
Creditors: amounts falling due within one year	17	**(3,459,026)**		(3,451,814)	
Net current assets			**432,924**		372,636
Total assets less current liabilities			**1,723,047**		1,823,066
Provisions for liabilities					
Deferred taxation	19	-		(10,384)	
Provisions	20	**(467,095)**		(467,095)	
			(467,095)		(477,479)
Net assets			**1,255,952**		1,345,587
Profit and loss account	21		**1,255,952**		1,345,587
Members' funds			**1,255,952**		1,345,587

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2019

Joanne Allen
Director

William Touche
Director

The notes on pages 14 to 30 form part of these financial statements.

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)
REGISTERED NUMBER: *01200318*

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	13		**1,290,123**		1,450,430
Investments	14		**1,002**		1,000
			1,291,125		1,451,430
Current assets					
Debtors	15	**855,285**		934,629	
Money market investment	18	**-**		2,000,000	
Cash at bank and in hand	16	**2,892,258**		805,861	
		3,747,543		3,740,490	
Creditors: amounts falling due within one year	17	**(3,485,057)**		(3,493,027)	
Net current assets			**262,486**		247,463
Total assets less current liabilities			**1,553,611**		1,698,893
Provisions for liabilities					
Deferred taxation	19	**-**		(10,384)	
Other provisions	20	**(467,095)**		(467,095)	
			(467,095)		(477,479)
Net assets			**1,086,516**		1,221,414
Capital and reserves					
Profit and loss account	21		**1,086,516**		1,221,414
Members' funds			**1,086,516**		1,221,414

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9/5/19

Joanne Allen
Director

William Touche
Director

The notes on pages 14 to 30 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Profit and loss account	Total equity
	£	£
At 1 January 2018	1,345,587	1,345,587
Comprehensive expense for the year		
Loss for the year	(89,635)	(89,635)
Total comprehensive expense for the year	(89,635)	(89,635)
At 31 December 2018	1,255,952	1,255,952

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Profit and loss account	Total equity
	£	£
At 1 January 2017	1,369,006	1,369,006
Comprehensive expense for the year		
Loss for the year	(23,419)	(23,419)
Total comprehensive expense for the year	(23,419)	(23,419)
At 31 December 2017	1,345,587	1,345,587

The notes on pages 14 to 30 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Profit and loss account	Total equity
	£	£
At 1 January 2018	1,221,414	1,221,414
Comprehensive expense for the year		
Loss for the year	(134,897)	(134,897)
Total comprehensive expense for the year	(134,897)	(134,897)
At 31 December 2018	1,086,517	1,086,517

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Profit and loss account	Total equity
	£	£
At 1 January 2017	1,300,063	1,300,063
Comprehensive expense for the year		
Loss for the year	(78,649)	(78,649)
Total comprehensive expense for the year	(78,649)	(78,649)
At 31 December 2017	1,221,414	1,221,414

The notes on pages 14 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	**(89,635)**	(23,419)
Adjustments for:		
Depreciation of tangible assets	**252,291**	211,442
Loss on disposal of tangible assets	**-**	1,979
Interest paid	**90**	229
Interest received	**(12,476)**	(747)
Taxation charge	**(14,597)**	(6,273)
Decrease in debtors	**85,405**	497,161
Increase/(decrease) in creditors	**11,892**	(359,537)
Increase in provisions	**-**	41,872
Corporation tax paid	**-**	(19,008)
Net cash generated from operating activities	**232,970**	343,699
Cash flows from investing activities		
Purchase of tangible fixed assets	**(91,984)**	(225,578)
Interest received	**12,476**	747
Return/(purchase) of money market investment	**2,000,000**	(2,000,000)
Net cash from/(used) in investing activities	**1,920,492**	(2,224,831)
Cash flows from financing activities		
Interest paid	**(90)**	(229)
Net cash used in financing activities	**(90)**	(229)
Net increase/(decrease) in cash and cash equivalents	**2,153,372**	(1,881,361)
Cash and cash equivalents at beginning of year	**883,296**	2,764,657
Cash and cash equivalents at the end of year	**3,036,668**	883,296
Cash and cash equivalents at the end of year comprise:		
Cash and cash equivalents	**3,036,668**	883,296

The notes on pages 14 to 30 form part of these financial statements.

1. General information

Information Technology Telecommunications and Electronics Association, a company limited by guarantee and is incorporated in England and Wales. The address of the registered office is 10 St Bride Street, London, EC4A 4AD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The subsidiary entities included within the consolidation are detailed in note 14.

2.3 Going concern

The financial statements have been prepared using the going concern basis of accounting.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Subscriptions are recognised as turnover over the period to which they relate.

Conference fees and event sponsorships are recognised on the date of the event to which they relate.

Turnover from project work represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the services provided to date based on proportion of the total contract value, where payments are received from customers in advance of services provided. The amounts are recorded as deferred income and included as part of creditors due within one year. Turnover not billed to clients is recorded within debtors as accrued income.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- from completion of works to end of lease
Fixtures and fittings	- 20% straight line
Computer equipment	- 20 - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs) unless the arrangement constitutes a financing transaction.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all material timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18 Dilapidation costs

The group provide for contractual dilapidation costs where the liability is probable and can be reliable estimated.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Dilapidation provisions are made on the basis of estimates of building costs made by the Association's commercial property advisors. These are reviewed biennially and updated for changes in the index of building costs for central London.

With the exception of doubtful debts and dilapidation provisions there are no material judgements or estimates applied in the preparation of these accounts.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Membership subscriptions	**4,936,383**	4,748,291
Training, conferences and events	**629,268**	709,462
Project work	**962,849**	777,349
	6,528,500	6,235,102

All turnover arose within the United Kingdom. Included within turnover received from project work is £175,000 (2017: £185,000) of funds received from government bodies.

5. Operating loss

The operating loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	**252,291**	211,442
Exchange differences	**1,106**	41
Other operating lease rentals	**373,071**	345,542
Restructuring loss of office	**126,452**	-
Defined contribution pension cost	**200,987**	169,892

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the group's auditor in respect of:		
Audit-related assurance services	**22,000**	22,000
Taxation compliance services	**7,000**	7,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	Group 2017 £
Wages and salaries	**2,971,904**	2,876,723
Social security costs	**307,803**	321,359
Cost of defined contribution scheme	**200,987**	169,892
	3,480,694	3,367,974

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 *No.*
Administrative	**63**	60

8. Directors' emoluments

	2018 £	2017 £
Directors' emoluments	**391,482**	334,423
Company contributions to defined contribution pension schemes	**28,087**	30,250
	419,569	364,673

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received emoluments of £210,885 (2017 - £213,404).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,000 (2017 - £19,000).

Included within Directors' emoluments is £78,579 (2017: £nil) in relation to loss of office.

9. Interest receivable and similar income

	2018 £	2017 £
Other interest receivable	12,476	747

10. Interest payable and similar charges

	2018 £	2017 £
Bank interest payable	90	229

11. Taxation

	2018	2017
	£	£
Corporation tax		
Current tax on profits for the year	(14,349)	-
Total current tax	(14,349)	-
Deferred tax		
Origination and reversal of timing differences	(6,259)	(3,321)
Adjustment in respect of prior periods	(8,338)	-
Total deferred tax	(14,597)	(3,321)
Taxation on loss on ordinary activities	(28,946)	(6,273)

Factors affecting tax (credit)/charge for the year

The tax credit assessed for the year is lower than (2017 – higher than) the standard rate of corporation tax in the UK of 19% (2017 – 19.25%). The differences are explained below:

	2018	2017
	£	£
Loss on ordinary activities before tax	(163,843)	(29,692)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	(31,130)	(5,716)
Effects of:		
Fixed asset differences	11,094	14,199
Expenses not deductible for tax purposes	4,437	4,622
Unrelieved tax losses	-	(16,426)
Group relief surrendered/(claimed)	8,603	-
Adjustments to tax charge in respect of previous periods	(21,950)	(2,952)
Total tax charge for the year	(28,946)	(6,273)

Factors that may affect future tax charges
There were no factors that may affect future tax charges.

12. Association profit for the year

The association has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income statement in these financial statements. The loss after tax of the parent association for the year was £134,897 (2017 - loss £78,649).

13. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2018	1,201,235	335,305	949,644	2,486,184
Additions	-	-	91,984	91,984
At 31 December 2018	1,201,235	335,305	1,041,628	2,578,168
Depreciation				
At 1 January 2018	336,030	252,559	447,165	1,035,754
Charge for the year	82,136	54,002	116,148	252,286
At 31 December 2018	418,166	306,561	563,313	1,288,040
Net book value				
At 31 December 2018	783,069	28,744	478,315	1,290,128
At 31 December 2017	*865,205*	*82,746*	*502,479*	*1,450,430*

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Long leasehold	783,069	*865,205*

13. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2018	1,201,235	335,305	949,644	2,486,184
Additions	-	-	91,984	91,984
At 31 December 2018	1,201,235	335,305	1,041,628	2,578,168
Depreciation				
At 1 January 2018	336,030	252,559	447,165	1,035,754
Charge for the year	82,136	54,007	116,148	252,286
At 31 December 2018	418,166	306,561	563,313	1,288,040
Net book value				
At 31 December 2018	783,069	28,744	478,315	1,290,128
At 31 December 2017	865,205	82,746	502,479	1,450,430

The net book value of land and buildings may be further analysed as follows:

	2018 £	*2017 £*
Long-term leasehold property	783,069	*865,205*

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country	Holding	Principal activity
Intellect Enterprises Limited	England	100%	Provision of software escrow services
Electronics Technology Network	England	100%	Provision of network services to electronics companies and a company limited by guarantee.
techUK	England	100%	Dormant company

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	1,000
Additions	2
At 31 December 2018	1,002
Net book value	
At 31 December 2018	1,002
At 31 December 2017	1,000

15. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	**375,185**	630,055	**375,185**	622,096
Other debtors	**58,942**	51,662	**58,945**	53,096
Prepayments and accrued income	**421,155**	259,437	**421,155**	259,437
	855,282	941,154	**855,285**	934,629

All amounts shown under debtors fall due for payment within one year.

16. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	**3,036,668**	883,296	**2,892,258**	805,861
	3,036,668	883,296	**2,892,258**	805,861

17. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	**374,300**	287,245	**374,300**	286,357
Amounts owed to group undertakings	**-**	-	**95,326**	95,058
Other taxation and social security	**153,644**	117,276	**111,755**	86,582
Other creditors	**91,990**	41,108	**91,670**	41,108
Accruals and deferred income	**2,839,092**	3,006,185	**2,812,006**	2,983,922
	3,459,026	3,451,814	**3,485,057**	3,493,027

18. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Money market investment	-	2,000,000	-	2,000,000
Financial assets measured at fair value through profit or loss	**3,036,668**	883,296	**2,892,258**	805,861
Financial assets that are debt instruments measured at amortised cost	**386,054**	681,717	**386,054**	675,192
	3,422,722	3,565,013	**3,278,312**	3,481,053
Financial liabilities				
Financial liabilities measured at amortised cost	**(466,290)**	(1,183,978)	**(561,295)**	(1,183,090)
	(466,290)	(1,183,978)	**(561,295)**	(1,183,090)

The money market investment is a treasury reserve deposit that matured on 20 December 2018.

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors.

19. Deferred taxation

Group and company

	2018 £
At beginning of year	**(10,384)**
Credited to profit or loss	**14,597**
At end of year	**4,213**

19. Deferred taxation (continued)

	Group 2018 £	Company 2018 £
Accelerated capital allowances	(99,584)	(99,584)
Tax losses carried forward	103,797	103,797
	4,213	4,213

20. Provisions

Group and company

	Dilapidation costs £
At 1 January 2018	
Charged to profit or loss	467,095
	-
At 31 December 2018	467,095

21. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

22. Members' liability

The members of the company are the subscribing members of the Association at any one time, and their liability, in the event of the winding-up of the Association, is limited to £1 per member.

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

23. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £200,987 (2017 - £169,892). Contributions totalling £30,010 (2017: £27,773) were payable to the fund at the reporting date.

24. Commitments under operating leases

At 31 December 2018 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings:

	Group 2018 £	Group 2017 £	**Company 2018 £**	Company 2017 £
Not later than 1 year	**486,772**	421,245	**486,772**	421,245
Later than 1 year and not later than 5 years	**1,460,316**	1,684,980	**1,460,316**	1,684,980
Later than 5 years	**283,950**	245,726	**283,950**	245,726
	2,231,038	2,351,951	**2,231,038**	2,351,951

25. Related party transactions

From time to time, in the ordinary course of the business, the Association enters into transactions with parties who are members or members who may have a director serving on the Board of the Association. There are certain occasions when transactions are entered in to which are deemed to be outside the normal course of business. These transactions are disclosed in the note below:

The key management personnel of the Association comprise the Chief Executive Officer, the Deputy Chief Executive Officer, the Finance Director, the Director of People and Development, the Director of Communication and the Director of Member Relationships. The total employee benefits for these personnel were £849,741 *(*2017: £816,466*)*.

Included within Director's emoluments note 8 is a payment of £7,700 to Crescendo Consultancy Limited of which Joanne Allen is a director.

Angus Langford was a Director of Joint Trade Association (Contracts) Limited, a company set up together with AMDEA (white goods association) and the LIA (Lighting Industry Association) to manage the contract for the fixed fee WEEE recycling scheme. techUK advanced a £6,000 *(*2017: £6,000*)* loan in a previous period to provide setup and working capital for the scheme. The loan was fully repaid in the year.

Julian David, techUK's Chief Executive Officer was appointed a board member of Digital Europe in July 2018.

At 31 December 2018, a balance of £43,765 (2017: £nil) was included in creditors in relation to amounts owed to Digital Europe.

The value of services provided and procured by the Association to this organisation was:

	Service provided 2018 £	Service provided 2017 £	Service procured 2018 £	Service procured 2017 £
Digital Europe	-	-	43,884	41,697

The company has taken advantage of the exemptions available under Financial Reporting Standard 102, "Related Party Disclosures" not to disclose transactions with its subsidiary undertaking.